MTW Expansion Cohort 1 Onboarding Webinar Series

Preparing Your Agency's MTW Finances, 2/10/21

Marianne Nazzarro: Great. Thanks, John. And good afternoon again, everybody. As you may recall, my name is Marianne Nazzaro. I am the director here at the MTW office here in headquarters, Washington, DC, and we are thrilled to be with you yet once again to talk about the MTW expansion. And today we will specifically be delving into the finance piece. Next slide please, Laura.

So here's the agenda for today's conversation. We will first have a welcome. So hello and welcome. And then we will be -- it's a pretty dense agenda, but we're really excited about it. We'll be first diving into implementing your MTW funding flexibilities. We'll talk a little bit more about how the funds will be calculated for MTW expansion agencies. We'll be going over some good financial policies and procedures. We'll be talking about MTW specific financial reporting requirements, VMS, FDS, capital funds. We'll talk about how you may use previously appropriated funds for MTW purposes. And we're happy to answer any questions.

So like all of our webinars, we will have a good opportunity for questions. If you have any questions, put them into the chat box. We'll try to answer them as we go. But we will also have a specific section during the webinar to answer any questions that you may have. And we have several new faces with us today.

So you'll see a couple familiar faces. John Concannon and Pravin Krishnan from the MTW office will be presenting. In addition you'll see a new face, our financial analyst Phillip Pless will be presenting today as well. We also have a couple of people that you've heard before and you'll get to meet again, Maria Razo and Shannon Oury who are executive directors at a couple of the MTW agencies now.

In addition we have some guest stars from our other offices across HUD. We've got Jean Reed, Damien Thomas, Chris Granger, Beth Hamblin. You'll also be hearing from them today as well. So get ready for an action packed conversation today to talk about finances and how you can use your MTW fungibility to do that.

And with that, I would like to kick it over to John Concannon to get us started. John?

John Concannon: Thanks, Marianne. Hi, everyone. This is John Concannon with the MTW team. I'm going to cover implementing funding flexibilities, what everyone really wants to know. It's important for your agency to understand when you can implement activities and use your funding flexibilities. Flexibility can be used for allowable purposes under Section 8 and Section 9 once your MTW ACC amendment is executed. That's executed by HUD.

As a reminder, MTW funding flexibility will become effective the first of the month following the execution of your ACC amendment. So if you were to have it executed today, February 10th, it would become effective that funding flexibility on March 1st. So just something to keep in mind.

MTW housing authorities can implement new activities once your MTW supplement to the plan is approved. For example, your housing authority could use your operating funds to issue vouchers after your MTW amendment to the ACC has been executed. But you wouldn't be able to implement say a local nontraditional activity until you've received that written approval from your field office that your MTW supplement to the PHA plan is approved. So just wanted to kind of just make that clear from the top.

And just as a reminder, because we bring -- and I know Chris on our team brought this up during the waivers seminar -- local nontraditional activities, that's waiver 17 in the operations notice, that's not Section 8, it's not Section 9, kind of the Wild West of MTW coming up with local rental programs or development programs that suit your community. So we're just making clear it's sort of this third housing program where there's a lot of creativity that you're able to exercise. So with that, I'm going to pass us back to you, Marianne, unless there are any questions. Or I'm sorry, I'm going to pass to Pravin.

Pravin Krishnan: Yes. Hi. Next slide please. Okay. I am going to first give you guys a quick overview both on the Section 8 and 9 side, to touch on the funding calculations, the obligations and expenditure requirements, and the requisitioning process. It's actually pretty straightforward. You'll see a lot is not different and not changed from being non-MTW to being MTW now. But I'm just going to go through all three categories. So first, for the funding calculations. On the public housing side for operating in capital funds, it's the same. Nothing has changed. The way it is calculated for non-MTW is the same as it is for an MTW program. So you don't need to really learn anything new there.

On the HCV side, the administrative fees are also earned the same way they are for non-MTW agencies based on leasing data in VMS. So that too is exactly the same. The main difference in the funding calculation, which I will get to on the next slide, is the HAP renewal eligibility. Instead of it being based on just HAP expenses, it will also be based on MTW expenses. And I'll get into that more in the next slide.

Obligation and expenditure requirements, they're the same for all three programs. In terms of requisitioning, there's no change on the operating funds side. In the capital funds side, there is a budget line item 1492 in HUD's EPIC system, where you'll have to enter in MTW uses. And in one of our later slides we have folks from our capital fund team that'll go into greater detail on that specific field for reporting on MTW uses with capital funds.

And on the HCV side, one thing to know is that your monthly disbursement is going to be based on your HAP expenses in VMS unless your current expenses exceed disbursement -- unless your current expenses exceed disbursements. And also if you have a non-HAP expense, you have to request that by contacting your financial analyst in the HCV financial management center. We have our folks from that office actually that will be speaking to you all today. It'll be very helpful going through specific slides -- specific fields in VMS that are for MTW agencies. So that'll be good. It'll tell you exactly where to report on your MTW expenses in the VMS system. Next slide please.

Okay. So the funding calculations. This is specifically for the Section 8 side on the HAP side. As I stated earlier, the funding calculations are the same in the op cap and admin fee. The one difference is on the HAP renewal eligibility. So the way it works, and I'll quickly touch on this, and then also at the end I'm going to reference some good material we have online. This isn't the only time. You don't have to memorize this right now. We have a lot of stuff online already kind of talking through this process. But this is just high level how it works.

So in order to determine your HAP renewal eligibility every year, we compare two numbers. One is a renewal eligibility cap. So the way we arrive at that is we take your per unit cost, your pre-MTW per unit cost, and we're going to inflate that to whatever the re-benchmark year is, and multiply that by the total number of MTW-eligible ACC units.

So what we're doing here is we're determining a cap, pretty much the largest amount of renewal eligibility, based on how much you spent per unit before your MTW. Because the goal here, one of the requirements being an MTW, is we want to make sure an MTW agency doesn't receive more money than they otherwise would have absent MTW designation. But we still want to allow for flexibility. So this is a cap that's kind of the feeling for how much an MTW agency can receive.

This is compared to number two here, which is pretty straightforward. It's just your HAP expenses plus your eligible non-HAP MTW expenses. So a non-HAP eligible MTW expense could be I need to use my HAP money to support my public housing operating fund or my capital fund. And that, because your source is the HAP funding, that'll be included in your total eligible expenses. So what we do is we compare these two amounts and the lower of the two is what your renewal eligibility will be each year; again as always, subject to inflation and proration. So next slide, please.

So I know I went into some detail there on the actual calculations for the HCV side. I would highly recommend looking at these three links. They're all good. Especially the third one I feel for the HCV calculation, it spells it out there, it goes through some examples, and always will be here if you have any further questions. But these are three really good resources that are going to cover both on the public housing and HCV side, your funding flexibilities, funding calculation, and statutory requirements.

If you really want to get into a good level of specificity, the actual operations notice, the second bullet here, that's very helpful. One major thing that we talked about here is the HCV funding renewal. That goes into a lot of detail there as well with specific examples. It goes into special purpose vouchers, tenant protection vouchers, all of that stuff is there. So these are all very helpful resources that I highly recommend you look at.

Maybe now we can do a -- well, first, I guess we could pause for questions. Then maybe we could do a knowledge check. Any questions?

Marianne Nazzaro: And as a reminder, if you have any questions, you can place them into the Q&A box and we will be sure to answer those. And while we're waiting for you to write your questions, let's maybe do the knowledge check number one, John.

John Concannon: Okay. So the first question, how is the HAP renewal eligibility calculated for the expansion MTW agencies? So the first choice is a frozen eligibility base. The second is the lower of your HAP renewal eligibility cap, or your re-benchmark year's actual HAP and -- non-HAP eligible expenses. Or part C is your last year's HAP eligible expenses multiplied by an inflation factor. Just give you guys a minute to answer that.

Okay. Can we show the results, please? Are the result there? Okay. All right. Survey says, no answer. Okay, good. Most of you got it right. The answer is B. Your HAP is going to be based on the lower of that renewal cap that I covered that's based on your per unit cost before you joined MTW. We're going to take that and inflate it to the current year and multiply that by your ACC units. And that's going to be your cap. And your renewal's going to be the lower of that or your actual HAP expenses and your eligible non-HAP MTW expenses.

Okay. Could we do the second question, please? Okay. This is pretty straightforward. The methodology for calculating public housing operating funds is different for expansion MTW PHA's than for non-MTW PHAs. True or false. Can we show the results, please?

John Panetti: Poll will be closing in 20 seconds.

John Concannon: Oh, okay.

Marianne Nazzaro: And while we're waiting for those answers to come up, John, if you could post that, there's a question in the chat related to the CFP. And I'm going to hold that question until we get to the CFP part of the conversation today.

John Concannon: Okay. So that's right. The methodology for calculating the public housing operating fund is not different for expansion of agencies than it is for non-MTW agencies. So that's good. That's good. You guys are aware that there's going to be no change on the public housing side in terms of your renewal calculations.

Great. So that's it for funding calculations. Now as we mentioned on both the public housing and HCV side, we have our experts from the financial management center and the capital fund team. They're going to go into some greater detail on actual reporting requirements. But now I will pass it to Phillip Pless who will go over some financial policies and procedures.

Marianne Nazzaro: And Phillip, before you take it, Pravin, there is a question for you in the chat box, if you could take this. The question is, "Are specialty programs part of HAP funding such as mainstream, VASH, and PHA?"

Pravin Krishnan: Okay. No. They are not. They are not -- I think the question is, are they part of MTW HAP. And they are separate. So special purpose vouchers such as the three you mentioned there, mainstream, VASH, and PHA, they are funded separately. So they are separate statutorily and they're not part of the MTW program. So fungibility actually does not apply to special purpose vouchers. So you can't use say VASH money to support an MTW purpose.

However, this is a good question; you might be able to apply MTW flexibilities, like administrative flexibilities, to your special purchase vouchers. And on our website, on the MTW website, there is a page for a Q&A on special purchase vouchers and MTW. So go through the process of requesting flexibilities for specific special purpose vouchers and reporting requirements.

Marianne Nazzaro: Great. Thank you, Pravin. And so Phillip, could you talk about financial policies and procedures, please?

Phillip Pless: Good afternoon to some of you and good morning to some of our friends on the West Coast. My name is Phillip Pless. I'm a relatively new member to the MTW office. I joined PIH from DPD in July of last year. And so I'm really excited to be here on this training. I had a lot of -- I've had a great experience working with the office so far. And so I'm here to present to you all today on a very important topic which is about financial policies and procedures as it relates to funding fungibility under the MTW demonstration program.

So a big key point that you want to start really thinking about right now is having your finance department consider potential changes to your financial policies, procedures, and to ways that your agency might need to implement workflow changes due to funding flexibility under the demonstration program.

So for example, there might be changes that you need to make to IT systems, or there might be some consideration you might want to give to your financial policies and procedures, due to now that once your ACC amendment has been executed, you will have that ability to implement funding fungibility.

And so one important point to keep in mind about funding fungibility, so that relates to funding fungibility under both Section 8 and Section 9 programs. However there are still other requirements that apply regardless of the funding fungibility that is available to you as an MTW PHA. In particular, as you see here on this slide, 2 CFR Part 200 requirements still apply regardless of your ability to spend funds flexibly under the Section 8 and Section 9 programs.

So for example, the single audit act provision in the requirements, having financial management systems, indirect cost rates, and all of those good things that are discussed in 2 CFR Part 200, are still applicable to the MTW program and to PHAs participating under the MTW program. And given that this is a really important topic, we have invited two guest speakers to provide their insights and their experience with the coming MTW PHA. And I'm now going to turn it back to Marianne to introduce our first speaker. Thank you so much.

Marianne Nazzaro: Fantastic. Thank you so much, Phillip. And before we turn it over to Shannon and Maria, I would like John, if you could, do another knowledge check, knowledge check number three. Let's see what people are saying. So the question here is, 2 CFR Part 200 requirements still apply for expansion agencies. True or false. Okay. And then if we could go to the answer.

John Panetti: Poll will be closing in 20 seconds.

Marianne Nazzaro: Okay. Maybe Laura changed the slide? There you go. Yes, 100 percent. Thank you. And the reason I asked Laura to change the slide is that the answer was written right up there. So hopefully -- that was great. So thanks so much, Phillip. There were a couple questions in here that I'm going to take. Pravin, a couple of them come back to you.

So Pravin, this one is back for you again. "What about tenant protection vouchers; do they also have their own funding too?"

Pravin Krishnan: So I had referenced earlier a good resource is the FAQ document on our webpage that kind of goes into tenant protection vouchers too in MTW. But to answer your question, after the first year in TPV, after that it is eligible for fungibility. And the FMC office could probably speak on this a little more later on. There are some exceptions to that for relocation TPVs versus replacement TPVs. Relocation TPVs are there for a strict temporary purpose.

So once they fund that, they don't get renewed and put into MTW. But the regular replacement TPVs, after their first year they are eligible for fungibility. And they would be incorporated into the renewal formula I went over.

Marianne Nazzaro: Great. Thanks so much, Pravin. And thanks for the questions. I see a couple more questions in here that we will get to. But now I do want to turn it over to our executive directors. Shannon Oury is the executive director of Lawrence Douglas County. You saw her video in the training videos that are on our module. You heard her in a prior webinar last fall. We're thrilled that she's here today. And so with that, I'm going to send it over to Shannon.

Shannon Oury: Okay. Thank you very much. As you can see, I'm not sure where all of you are, but I am in Kansas. I've said this before, it's probably in that video, but the very best thing about MTW is that you can tailor your program to meet your local need. You could see on the agency background, this agency was formed in 1968. We became a MTW in 1999. Those 73 authority-owned units that are listed on this slide are units that we have purchased with our MTW funds. So really if I were to give my advice to you, a title, it is basically figure out how to amass some funds. Because what that does for you is allow you to make all kinds of different things happen in your locality. Next slide.

So as I said, we were one of the first MTW. We've been in more than 20 years now. We radically altered our program from the very beginning. We combined our public housing and Section 8 programs. We have a combined admin ACOP plan, which was no small feat. We enacted an alternative rent structure. As you can see we have significant minimum rent. These are only for work able individuals. We have a work requirement for all of the work able, so non-elderly, non-disabled households in our program. The minimum rent was set on a 15 hour per week minimum wage calculation. And that's how we set it originally. So next slide.

So what does that do? What does having a work requirement and a minimum rent due? Well, it means we generate quite a bit of rental income from our public housing units, which we then can repurpose to be used for other MTW initiatives. And I'll get to that slide in a minute. So the first thing that I recommend to you is tackle the administration and operational efficiencies that you can get out of your program so that you can generate more funds to be redirected to the initiatives that you want to use in your locality. For us, one of the biggest drivers of that was this alternate rent structure or work requirement. Next slide.

So here's kind of how we did that. So you can see what we did for efficiencies. Obviously the biannual, triannual recertifications. We have some situations where if it's a non-emergency, non-life threatening item, landlords can do a self-certification that they fixed it. And now since we've all done COVID and we were all trying to figure out how to do some of these things remotely, they can send us pictures of the completed item. And I won't go into all the details, but this is sort of the idea of figure out a way with your programs to generate some funds to do some of the things that you want.

So we took those funds, our MTW funds, and we basically do a lot of different things. We have a very robust resident services office. We work a lot with our families to make sure they're employed and that they're improving their employability, up to and including that we have an activity where we will repair a working household or a household that is in education. We will up to $500 repair a car so that they can continue to get to work and/or school. So next slide.

One of the things that, now VMS requires it, but we have always done it, is when we create an MTW activity, we create a chart of accounts and a line for that. We name it and we track the expenses in it. Some of them are in the -- you'll see the top is we've created some special vouchers and made some special rules, some for individuals coming out of our county jail through a reentry program, that safe housing program.

We've created vouchers for some victims of domestic violence. It was very -- I'm sure like most of you, we have a significant wait list. It's somewhere between 18 months and two years. And we identified an issue with some of our victims of domestic violence being required to stay in abusive situations while they waited on our list. And so we tried to figure out a way to address that. We used our MTW funds to identify some special vouchers that we work with our local domestic violence shelters to get to our community.

So you want to track what you're doing. You want to track -- you want to identify it. Because obviously some of the reason is because you need to report it back in your MTW report. But it's very important to know what you're doing, be able to evaluate whether it's working. We did that safe housing program. The first year we put 10 vouchers in it. It worked so well. And the funding in the following year was such that we now issue 20 vouchers in that program. Next slide.

And then basically track your expenses. Be sure you know what's happening to your money, where you can save money. Because of some of the streamlining things that we've done with deductions and different things, it's easier for us to do a recertification. What I will say to you too is I've been doing this for 10 years, so about half of our MTW program. When I came in, I wasn't really sure what to do or how to do it.

The MTW office at HUD has a really great website where you can go and look at all the different people. It didn't make me very long to figure out who else was a small agency out there. And I would go and look at their MTW plans or reports. And we'd copy exactly what they did. Or I'd look at it and kind of figure out, oh I'd like to do that, but maybe just this piece and not that piece.

Everybody in the MTW plan is happy to work with you. So I routinely called places like Keene or Lincoln, Nebraska, to say, hey, how did you do this. And we all worked very well together to help one another do these programs. So feel free, you're going to see a slide with my email. Feel free to reach out to me if you have any questions. But I would just encourage you, one, figure out where your money's going and how you can save some. And then get really excited and creative about what you can do with it. Thank you.

Marianne Nazzaro: Wonderful. Thank you so much, Shannon. A lot of really good information, a lot of really good tips there. I would now like to to turn it over to Maria Razo, the executive director of the County of San Bernardino. Maria and I go back from when she was first -- where San Bernardino was first designated as an MTW agency. And it was when I was first an MTW coordinator way back in the day. So Maria, I turn it over to you.

Maria Razo: Good morning and good afternoon. Thank you so much for having us here. We're so excited to share just a few -- our insight for the new expansion agencies. And I also want to thank HUD for doing this. It's such a great idea and opportunity for the new expansion agencies.

So starting off, our agency background, I just wanted to give you a sense of scope in terms of the number of families that we're currently assisting and our agency size. But I just want to preface that with we were very mindful in preparing our notes for today and what we were sharing to make sure that what we're sharing is also applicable to all-sized PHAs. As background, we'll be celebrating next month our 13th year as an MTW agency. And as you can see, we've been very busy. We have 27 initiatives. And we have one right now pending approval.

And similar to what Shannon stated, I think our initial primary recommendation for the new expansion agencies is to tackle really focus on administrative efficiency first. And one of the things that we did at our agency is we got key staff together from different levels within the agency and asked them, if you could do anything, right, so your mindset changes, if you could do anything what would you do, what would you tackle? And start with those administrative efficiencies first to give you later the time to tackle those more time consuming or expensive costly items.

And what we came up with was a list of just a bunch of ideas. Just on a -- back then we were still using a white board. And so we split up the list because honestly half of those items did not require MTW flexibility. It's just that we asked the question and your mindset as a traditional housing authority is we can't do that. Because either regulatorily we can't do that, or it's just, you know, would take too much or too much work, or just you don't have the brain power to take that on, [inaudible] or the staffing capacity to take that on. Well, right now you have an open slate and so challenge your team to think as creatively as possible. Write all of those things down, and you'll be surprised to what you and your team come up with in terms of flexibility.

And so here, it's difficult to see, but this is also on our website. Our website is hacsb.com. And you'll information there. We post all of our annual reports and our annual plans in case you want to read more on any of these initiatives, back to our first plan, 2008-2009. So those are all on our website. And so you'll see here we broke out our initiatives by statutory objective. And so as Shannon stated, and really thanks to Marianne's advice early on, we had a list of all of these initiatives. And her recommendation is really focus on those administrative efficiency ones first. We're so glad that we did. Because it created the administrative staff kind of savings to be able to tackle those heavier lift MTW initiatives.

And so my background is actually in finance and accounting. So I'm going to go through in really great detail all of your financial reporting. I'm just kidding. I'm not going to do that. So just our kind of lessons learned and recommendations, similar to what Shannon had stated, create a separate fund. Do all of that legwork now. So really pay attention as to what your reporting responsibilities are. And start identifying what changes you need to make in your chart of accounts. And your software system, it would be ideal if you can really tie your software system to what reporting requirements you will have in DMS and also for your financial data schedule in FDS.

So then creating these separate funds at the onset to separate account as well. And it's going to be very important to continue to keep track of your expenses separately and by that original source of funds. So even though you have fungibility, and you can use as an example your HAP funds for public housing, it's important to retain that original source. And so you know that your HAP funds, you received $10 million. And of those HAP funds you've spent $9.9 million on HAP, but $100,000 on public housing, as an example. So you'll need that information.

We talked about the financial data schedule and reporting. There will be new columns that you'll hear more later in this training session. And one thing that was really helpful for us is creating a mapping from your chart of accounts to your FDS line items. [inaudible] in our software system. so that's something that you'll want to explore now. And also will your software system accommodate it [inaudible] that are needed, not just financially, but operationally as well. So starting the conversation now with your software provider.

One of the things that I think was a huge kind of aha-moment for us is that fungibility will not solve all of your financial problems. You still have the same amount of money. So you had $10 before, you're going to have $10. So now that you're MTW, you're still subject to proration. You're not going to receive additional funding. It's just that you can be more strategic as to how you're going to use those funds. And you can -- I would suggest creating implementation plans. If you'd like to see a copy of those and what's included in implementation plans, we would be happy to share those with you as well.

Again, some lessons learned. I think a quick overview of what additional responsibilities your financial or accounting staff or really small PHAs, it may be the ED that's doing some of these tasks. So I think it's just important here to note you'll have changes to your chart of accounts, you'll have additional reporting requirements. And I can't emphasize enough, it's really important for your finance team to understand the why behind the program changes. So there may be a rent reform initiative. It's important to understand kind of the why behind that. Why is it important? Is it going to create more positive outcomes?

Because your finance is going to create more work, and for IT, and purchasing, some of your other departments. And so that's why it's really important to understand the why. And I think communication -- consistent and constant communication between operation, finance, really all of your departments, is extremely important. We do monthly planning and overview meetings. So we do leasing planning, and really discuss changes, and how things are going with our MTW activities. We do a lot of research. So we're constantly making changes to our activities. And it's important for the finance team to understand why those changes are being made.

And then some of the -- this is just a quick overview of some areas where you may experience additional costs. I think it's important to know this in advance. And just taking the time to go through this list and understanding what could bring on additional cost. I think this is my last slide. Yes. So here is my contact information, and also our analyst that oversees all of our MTW efforts, Nicole Beydler. I think as takeaways, I would say again to tackle administration efficiencies first. To be strategic, so don't just, ah, I have MTW, I'm so excited; I want to tackle these 20 things. Really be strategic especially in a small PHA as to what you want to tackle, what it's going to take [inaudible] related to cost.

Start with changes that are low effort and high return. Create implementation plans. Plan ahead. Also existing MTW agencies are here to help. We're happy to help. Please reach out to maybe find out where is your local MTW agency if they haven't reached out already. We reached out to Pomona, that's our nearest MTW agency, to see how we could help. If you're on here, George, give us a call. We're always -- or any other MTW agency, we're happy to help. And also HUD is your partner.

We have had some great brainstorming sessions with our coordinator, with our team throughout the years. And they are working with so many other MTW agencies. It kind of helps the brain damage in that they're able to provide some insight or have some lessons learned. Well, Shannon tried this over here and this is kind of the obstacles that she faced. And they can give you that insight as well. Versus you having to call 39 plus, now 60, 70 plus MTW agencies. And also I would say, be ready and excited for a change in your organization's culture, I would say for the better. Thank you.

Marianne Nazzaro: That's wonderful. Thank you so much, Maria. Also some really good insights there. Remembering the why helps us to do the actual activity. Remembering MTW isn't -- it's not going to solve all the problems. But it's there as a tool in your toolbox. So thank you so much. At this point we are going to just open it up for questions, any questions for Maria, for Shannon, or for any of the presenters that we've heard from thus far.

I do see a number of questions in the chat box. I'll get to those. And then in the meantime again, if you have any questions, please put them in the chat box -- or I'm sorry, in the Q&A box, and we will get to those. I see a question from Ray asking about reporting in FDS and VMS. And you are in luck. Stick around and we will be talking about that shortly.

John, question for you, John or Pravin, question for you. There's a question here, "Are RAD agencies required to separate MTW activity?" I'm not sure I'm fully understanding what that question is. But John?

John Concannon: I can start. And Pravin, if you want to jump in. Basically as long as your RAD units are project-based vouchers, you can apply your MTW flexibilities to them. You will just have to make sure that you are implementing the waivers you want to apply to them in your MTW supplement that apply to project-based vouchers and anything that might be under the housing choice voucher activities. But you can absolutely apply them. And because they are considered fungible, they're within your block grant. So anything you want to add, Pravin, to that? Okay. Well, hopefully that answered the question.

Marianne Nazzaro: And thanks, John. Pravin, this one is for you. Question about, "Would MTW agencies be eligible for housing choice vouchers shortfall funds if they need it?" Pravin?

Pravin Krishnan: Yes. Sorry, I think I had a mute issue. Yes. They are eligible for shortfall funds. If you check the latest shortfall notices, PIH notices, you will see all the categories there. And yes, MTW agencies are eligible for the shortfall category.

Marianne Nazzaro: Great. Thanks, Pravin. Maria, there's a question for you. "Does your agency work with a city financial system? Or is it standalone?"

Maria Razo: Great question. It is standalone. We use Yardi Voyager and we did do an RFP for a new software provider after our MTW designation. We had separate systems and they were somewhat integrated, but we felt that it would be best. And we so far have been happy with having one software system that has all of the modules and that speak to each other.

Marianne Nazzaro: Thanks, Maria. Shannon, do you want to speak to that, about does your agency work with a city financial system or standalone?

Shannon Oury: So we are also a standalone. We have our own system that we use. And the good thing is that most of the systems that are out there are now at least are aware of MTW, and able to accommodate some of the special features that we have. But we have a standalone. And our software and our fee accountant are all the same entity. And that helps a bit.

Marianne Nazzaro: Great. Thanks, Shannon. So this is a question for -- I'm not sure if it's Pravin or Phillip or Maria or Shannon. "Do you advise to set up a separate fund number for current HCV and new MTW HCV in our chart of accounts?" Maria?

Maria Razo: I actually think that's a great idea. Because you had -- now you have fungibility. So actually that's -- yeah, to create a new HCV fund with MTW.

Marianne Nazzaro: Great. Thank you. I do see a couple of questions in here relating to CARES Act funding. So we'll get to that a little bit later in the presentation. Yes, all of the slides, the full presentation, will be available on HUD Exchange afterwards. I'll get to that later. And I'll get to that later.

So with that, next slide. We are going to take a break this time. Last time we did not. Today we will. We're going to take a 10 minute break. So it is now by my clock, 2:49. So at 2:59 we will come back and we will resume talking about MTW finances. So 10 minutes. See you back here at 2:59 Eastern. Thanks, everybody.

(Break.)

Marianne Nazzaro: Okay, everybody. It is 2:59 by my clock time. So with that, Phillip, take it away.

Phillip Pless: Good afternoon, everyone. And sorry for taking a little second for my video to load. But again, thank you for your participation so far. It sounds like we've gotten some really great questions coming in on some of the topics that we're going to actually address right now. And so just to let everyone know, this portion of the webinar is really focused on MTW specific financial reporting items.

And so we've got a number of topics here as you can see on this slide that we're going to address. And we're going to start with VMS. And then we'll talk a little bit about the FDS reporting and special instructions that have been created for MTW PHAs. And then we'll hear from our wonderful colleagues in the capital fund office who will talk about capital fund specific reporting requirements. And then finally, John Concannon from our office, who is the deputy director of the office, will talk about some CARES Act reporting requirements, and hopefully answer some of your questions there.

So now I'm going to turn it over to Jean Reed in the Housing Choice Voucher financial management center to talk about VMS. Take it away, Jean.

Jean Reed: Thank you. Hi, my name is Jean Reed and I'm a financial analyst at the FMC. I've been working with most of the legacy MTW agencies since 2005. Since most of you are familiar inputting into VMS, this is basically going to be just a short overview of the new requirements for VMS reporting for the month following your conversion. There are specific fields for reporting your HCV lease units and expenses in VMS. They will be reported under the MTW fields.

There are specific MTW fields that will be used reporting any special purpose vouchers, such as [inaudible] if you have NAD and VASH vouchers, they will -- that you may administer. There are specific fields in the MTW for the MTW [inaudible], MTW NAD, and MTW VASH. Your agencies will still report TP units under TP.

In addition to the vouchers leasing and expense fields that will be used, your agency will also begin reporting non-HAP expenses in VMS. There are specific fields available to capture those expenses. The VMS has a user manual quick guidebook, which is a very good resources for your agency to review. You may want to review the manual in anticipation of your first month reporting to familiarize yourself with what these fields are available for reporting MTW. As you get closer to your conversion, there'll be additional information provided. In addition, your assigned FMC FA will always be available to assist you with any VMS reporting questions you may have. Please go to the next slide.

Okay. Requesting additional funds. The procedure for requesting additional fields for the MTW PHA is very similar to the process you've been using as a non-MTW PHA. You will continue to report to your assigned FA any costs that are not reported into VMS. These costs will now include HAP, non-HAP expenses, and administrative expenses. As an MTW, when it comes to asking for additional funds, we will be including all your disbursements, AF and VO, and comparing those to all your expenses that you have reported in VMS, as well as what your agency is estimating for the months that are not in VMS.

The review process for additional disbursement requests should be completed within a day or two. There are instants where the FA may need to discuss specific non-HAP requests to the MTW office, which may add a little more time to review and process. But we try to process them as quickly as possible. Just please remember that when you're requesting funds anticipate of non-HAP expenses, that your agency needs to confirm that these funds will fully be expended within the three days of receipt.

We are really excited that your agency is now an MTW agency. And we look forward to working with you on your VMS reporting and additional disbursement requests. And anything else that we can help you to do, we're here for you. So thank you so much and have fun. That's it.

Marianne Nazzaro: Fantastic. Thank you so much, Jean. Really appreciate that. I'm going to pause here for a moment to see if there are any questions for Jean. And just as a reminder, please submit any questions into the Q&A feature on WebEx. While you're thinking those through, John, could you please pull up question number four. We're going to do another polling question to see kind of where we are.

So the question here is, which of the following pieces of information is not needed in order for the HCV financial management center to process non-HAP disbursements? A, estimated total HAP, non-HAP, and administrative expenses not yet entered into VMS; B, confirmation that funds will be fully expended within three business days of receipt; C, detailed description of the purpose of the use of funds; or D, signed attestation from the executive director of the PHA that the funds are for eligible expenses. So we'll give folks a minute or so to take a look at this question and to answer that.

John Panetti: Poll will be closing in 20 seconds.

Marianne Nazzaro: All right. Well, done, everybody. The answer is D, the signed attestations from the executive director. Well, done. So let's see if there's any questions specifically for Jean. No. These other questions, we will get to them I promise at the end of the presentation. Now I would like to turn it back over to Phillip. Phillip?

Phillip Pless: Thank you, everyone. Hopefully you should be able to see me and hear me now. So now we're going to discuss some special instructions that we have created for preparing your financial data schedule, also known as FDS, for MTW agencies. And so the first thing just to keep in mind is, just like as you currently are as a non-MTW agency, you're going to report your unaudited and audited financial information to the Financial Assessment of Public Housing or FASS PH. That is a mouthful; I apologize if I got tangled up a little bit there. But that is just the same as you currently are.

So here is a schematic that we have created that kind of outlines at a high level the five steps that you need to know regarding FDS reporting for being an MTW PHA. So the first is you're going to create new FDS columns for the low rent or what's known as the public housing program, capital fund, housing choice voucher, and MTW programs. Each of those has special columns. So low rent is 14.OPF, capital fund is 14.CFP, Section 8 is 14.HCV, and then MTW is 14.881.

And the big point to remember here is that the first three columns that I mentioned, low rent, capital fund, and Section 8, are basically being created to record revenue that you have received for those programs during the reporting year. And that's revenue and subsidy revenue that you have received will then be transferred to the MTW column, which we're going to talk about in a minute. So essentially think as these first three columns as a pass through. You're recording them, you're establishing them, you're reporting your revenue, and then you're going to transfer it to the MTW column.

So the second step that you want to keep in mind, as I've just alluded to, is you're going to report the grant and subsidy revenue in those three columns, so in your low rent, your capital fund, and your Section 8 programs. So your low rent will be reported under FDS line 7600, which is operating revenue. The capital fund will be under 7610, which is the capital grant. And then 7600 as applicable. And so finally your Section 8 revenue will be reported under line 7600 as well, which is operating revenue.

So after you've done that, you're going to then transfer all of that reported revenue to the MTW program. So all of that stuff that you've established in step one and two, you're then going to transfer to the MTW program column, which is 14.881. And there will be no leftover amounts in those first three columns that you've established. So essentially as I say, you can think of it as you create the columns, you report your revenue that you've received in those line items that we just talked about, and then you're going to transfer it over to the MTW column.

The next step is essentially just the same as you would be as you currently are as a non-MTW PHA. And that's going to be to complete any of the supplemental schedules related to your public housing project, with the only exception that the PHA will enter the funds needed to operate each project as a transfer in from the MTW column. And then finally it's just really important to understand the different financial -- sorry, the different asset management types. And that information we will -- that information is captured in a memo that will be addressed in the next page.

But the final point I just wanted to mention for this slide is that just as you currently do as a current MTW PHA, the timelines associated with submitted FDS information are not changing. They're exactly the same. So just to keep in mind that your unaudited yearend financial information is due to HUD through to the REAC system no later than two months after your fiscal year has ended. And then finally your final audited electronic submission of your FDS is due no later than nine months after the fiscal year ends. Next slide please.

Okay. So on this document there -- sorry, on this slide there are two resources that I have just sort of walked you through. The first one is the FDS reporting guidance that we just talked about on the previous slide. So when these slides are posted to the HUD Exchange on the MTW expansion training page, you will be able to go there and reference this document. I really strongly encourage you once those slides are posted to bookmark this link, review it. If there's any questions or things you don't understand, don't hesitate to reach out to me or your field office. And we will get the answer to you.

And then finally, this last resource here is the FDS line definition guide. This is an extremely helpful resource. This is something that is out there for all PHAs. That link is another link that I strongly encourage you to take a look at, be familiar with it, as you're starting to implement the changes and getting ready for your first FDS reporting down the road. And with that, I'm going to turn it back to Marianne to field questions on the material that we've covered so far.

Marianne Nazzaro: Great. Thank you so much, Phillip. That was really helpful. There is a question here for you that I'm going to ask. And Phillip, while I'm asking you this question, John, could you please bring up the knowledge check question number five. So while you're bringing that up, let me ask this question to Phillip. The question is, "Do you think that each activity should have its own fund? Or can it be accounted within the single fund?" I'm not sure if I'm following what that question is. Phillip, do you have that? Or maybe --

Phillip Pless: I'm not quite sure I follow what they're asking. So are they wanting to know in their internal accounting system to say -- Maria might actually have some --

Marianne Nazzaro: I see Maria. So Maria, could you get us to answer here?

Maria Razo: Sure. Actually we had the same question when we first started. And mostly to keep track if there's an activity that let's say creating administrative efficiency, saving funds, or there's additional expense to it, should we track those -- create a separate fund? I would say, no. I think I would be administrative burdensome and also more complicated when you're doing your reporting if you have a lot of different funds. I would say keep your one MTW HCV fund, your MTW public housing, your separate funds. You can always keep track of those as separate expense accounts; or if your financial software system has some other capabilities to track those, we track those not as separate funds.

Marianne Nazzaro: Thank you, Maria. Okay. Back to this polling question. Number five. I think I had it and I lost it. So you can put that back up, John. There it is. Okay. Oh, I think I messed up the polling. Here's the question. Hang on one second. Maybe. Okay. Question number six, can you pull up question number six, John? Okay. The MTW PHA does not need to create the MTW column 14.881 and transfer all recorded revenues to it once these revenues have been earned. So again the question is, the MTW PHA does not need to create the MTW column 14.881 and transfer all recorded revenues to it after these revenues have been earned. True or false. I'll give you a moment to think that one through.

John Panetti: The poll will be closing in 20 seconds.

Marianne Nazzaro: Okay. So Phillip, do you want to speak to this poll question?

Phillip Pless: Sure. Yes. So the correct answer is false. You do need to create the MTW column and transfer your recorded revenues from those first three columns that we just talked about, the low rent, the capital fund, and HCV, to your MTW column after those revenues have been earned. So it looks like most of you got the answer correct. So great job. And we have one more poll question I think we can fire up here. John, can you load poll question five?

Marianne Nazzaro: I think that's one I messed up because I was talking while people were supposed to be answering the question. So the question here was, expansion agencies must still submit unaudited and audited financial information to HUD using the financial assessment subsystem, public housing; true or false. Do agencies still need to submit their audited and unaudited information into FAS. And the answer to that is, Phillip?

Phillip Pless: Sure. The answer to that question is true. As I mentioned in the previous slide where we covered the graphic, you still are required to submit your audited and unaudited financial information to HUD using REAC system, which is the FASS PH. So good job to everyone that got that correct. So I'm going to turn it back to Marianne to see if we have any more questions.

Marianne Nazzaro: All right. So I see some questions here. I think for now I am going to turn it over to a next slide. I would like to introduce our colleague from the capital fund office, starting with Chris Granger, to talk about capital fund reporting requirements. Chris?

Chris Granger: Thank you so much, Marianne. Hello, everyone. I'm Chris Granger with the office of capital improvements. And we work closely with Marianne, John, and the rest of the MTW team. So we're really glad to get to talk to you today. And so let's go ahead and take a look at the capital fund.

We're going to discuss today some really important items that have a real impact on housing authority finances. First, we are going to talk about obligation and expenditure, things you might be familiar with. And we're going to discuss the concept of immediate need, and how to follow this practically. And then I'll turn it over to my colleague in the capital fund, Damien Thomas, who will talk about the EPIC system.

So first things first, obligation and expenditure. Remember when Pravin talked about obligation and expenditure? I'm going to expand a bit on what he said specifically for the capital fund. But it's really important to remember what he said about how for obligation things are still the same. There's no changes. So that's good. The main change is this 1492 budget line item. And Damien's going to talk about that in a few minutes. So what is an obligation? Generally an obligation is a binding agreement. It's executed by all parties. And it's for the work, visible work, or financing, that will result in capital outlays funded by the housing authority. So it could be immediately or in the future.

Essentially we're talking about a contract. A typical obligation is going to be when the contract is signed. So that will be the obligation date for that money. Every month the housing authority needs to report on obligation progress in the eLOCCS system. That's the line of credit control system we use for managing and drawing grant funds. And you need to report on all open grants, so that any grant that doesn't have a pre-audit date, so even if the grant is 100 percent obligated, it still needs to e reported on every month. Based on the regulation, each capital fund grant must be obligated 90 percent by the obligation end date, which is 24 months or two years after the award.

So let's move on to expenditure. Expenditure occurs when a PHA has a bill that's due and payable from the vendor. The capital fund grant must be 100 percent expended by the expenditure end date. And that's going to be 48 months or four years after the grant is awarded. So what happens if the housing authority misses the obligation end date or the expenditure end date? So obligation is a little more serious.

If the housing authority fails to obligate 90 percent by the obligation end date, then unfortunately the housing authority may be sanctioned. And that's part of the regs. And if you believe that you are in this case, let us know in advance. Because there are cases where we can work with you and you can request an extension. So that's a good thing for your reporting because it means that you won't be sanctioned. And you might get an extension and you'll be able to expand all of your grant.

What happens if the PHA can't expend the grant? Well, it's a little bit different. We can't extend the expenditure end date. But we don't sanction a housing authority just because they can't expand all of their money because things happen. So if the housing authority is afraid that they're going to miss their expenditure end date, they should go ahead and get in touch with the field office or with our office, and we can work with you on doing a smooth recapture. And nobody gets in trouble for that. And that's actually a good thing for the broader program because any funds that get recaptured like that, we can reprogram for other housing authorities. So we all benefit.

Okay. So let's talk about immediate need. This is part of obligation and expenditure, and it means that the housing authority can and should draw down funds in the LOCCS system when you need the funds. Not before you need them and not a long time after you need them. So you should be drawing down the funds when you have the funds obligated, that's when you have a contract signed, and then when you have the bill due and payable. So you sign the contract, the vendor gives you a bill, you're ready to draw down the funds. That's expenditure. That's immediate need.

Sometimes you don't have a bill that's due and payable. There's many circumstances like 1410 administration or 1492 MTW budget line item. Because the housing authority might be drawing down funds and paying itself in a way, paying for internal expenses that are billed to the program. If that happens, the housing authority would not have a traditional invoice. But you would have some kind of an internal work order or an internal invoice. And you'd be able to use that as acceptable evidence of expenditure.

And I think the best part that Pravin said so well is we don't have to memorize of this. Because the capital fund regulations are found at CFR 905, and we also have a handy capital fund guidebook that will show up in any online search.

And now I'm going to hand this off to my colleague, Damien Thomas, for the next slide. Thank you so much, everyone.

Damien Thomas: Thanks. Good afternoon, everyone. This is Damien Thomas. I'm with the office of capital improvements in HUD headquarters. And I'm here to talk about some specific financial reporting requirements for the cap fund. As you all know, we've transferred or converted over to the EPIC, which is the Energy Performance Information Center for processing your five year action plans and your annual statement. Okay. That was a result as of 2018. Okay.

And so all MTW funding from any source, so you now have these three aggregated sources of funding, they have to be approved through an environmental process. And that regulation or notice for the environmental review is PHI notice 2016-22. And you must meet the EPIC reporting requirements. So these are things that you should know already. But we just want to remind this to you.

The other thing that we want to point out is that traditional cap fund budget line items for activities requested under Section 9(d) are still -- should still be reported in EPIC as those activities. So they should be captured in budget line item 1480. We also want to point out that funds should not be transferred to 1406 operations because that money is now going to be your larger pool of money under budget line item 1492. And the work activity that you identify from 1492, the approved kind of fungibility activities that were covered in your MTW plan, and under Section 9(e) and Section 8(o).

We do also want to point out -- hold on one second, I got to look at my notes. You want to make sure -- we just want to reiterate that you shouldn't use non-cap fund activities under 1492. Okay. And so I think that is it. Oh, one last thing. And Chris pointed this out. We do want to kind of make sure that funds should not be drawn down till funds are due and payable for all cap fund related activities. That's all that I have. I'm going to turn it back over to Marianna to see if we have any questions.

Marianne Nazzaro: Fantastic. Thank you so much, Damien and Chris. That was a really good overview of the reporting for the capital fund. We do have a question in here relating to cap fund reporting, maybe for one of the two of you, or maybe John Concannon. The question here is, does a moving to work item need to be added to the CFP five year plan?

Damien Thomas: So in the EPIC system, there is a budget line item for 1492. And so, yes, when you're creating your five year plan, you do want to identify any work activities that are going to come out of 1492. But we do want to point out that if you do have capital fund activities that your housing authority needs, that they should remain under the traditional cap fund line items, which is -- most of them is 1480, but you also have some other line items if you have debt services and things like that.

And so the other thing that just came to mind with the cap fund program is that we do have boutique grants in the cap fund office, lead based paint, health related hazards, emergency and disaster grants. Those funds are not fungible. And so they will not show up on your MTW -- they should not be aggregated within your MTW line item. And those are not fungible. Those are targeted grants and they should remain as such for very specific items.

Marianne Nazzaro: Great. And then there was a clarification question. Damien, I think this one is again for you. So the question is, so we cannot use CFP funds for operations anymore?

Damien Thomas: That is correct. So I think the way it works -- no, go ahead, Marianne. You may say something and then -- go ahead.

Marianne Nazzaro: So I think the question here is, what Damien is talking about, which -- how to report the funding. And so you can no longer use the 1406 line item. But you can use your funding for operations. Any funding that you use for non-capital activity, you will report into 1492. So if you were using your capital funding funds for operations, you would report those in 1492. Damien, did I get that right?

Damien Thomas: That's correct.

Marianne Nazzaro: Okay. Theresa, does that answer the question? Okay. So I think that is -- and then a second question on that is, what if we have already been approved for the operations line item? Damien?

Damien Thomas: So I'm not sure about that. I would have to refer back to you guys as far as where you'd draw the line in the sand. But I would say that moving forward, and correct me if I'm saying the wrong thing, Marianne and John and Phil, if they have previously a grant from say 2019-20, and it's already under operations, and it's fine, and it would be moving forward after they get their MTW designation.

Chris Granger: Damien, can I answer that?

Damien Thomas: Go ahead.

Marianne Nazzaro: Yes, please.

Chris Granger: Just from a nuts and bolts standpoint, when a housing authority enters and spreads their budget in EPIC, as long as it's approvable, it automatically is spread in the eLOCCS system. So whatever goes into EPIC gets spread into eLOCCS. So if 1406 is incorrectly added in EPIC, we might not be able to catch it. It might automatically be spread. But there's good news because LOCCS has an ability for us to do a budget line item correction on the back end.

So if a housing authority puts it on 1406, and then they say, wait a minute, we needed this to be on 1492, we can work with the housing authority, and we can correct that on the other end. We just make a notation in the file that says that we did a budget line item correction. So that's easily rectified. So just in case that ever happens, we can work with you. Most problems have a solution, I think, like something like that.

Marianne Nazzaro: Great. And I think that's the bottom line. That's perfect. Thanks Damien and thanks Chris. That's exactly right. Most problems have a solution. If there are any specific questions, let us know, and we'll work with our partners to get everybody the right answer. There's a pretty detailed question in here that I'm going to punt and say that we will get back to everybody [inaudible] the day that we're sending out.

The question was relating to at what point will our pre-MTW funds be determined? So we have the baseline amount, and how do we report pre-MTW expenses in VMS. This is a non-capital question. I think this is a pretty detailed nuanced question that if it's okay I'd like to answer for everybody in writing once we've circled with our partners in the various offices. So we will get back to that question. I think there might be something coming in.

So Wendy has a question. So similar to how we don't -- so there's a question here, and I think this is for Damien or Chris. Does the same apply for administration? So if they're using capital funds for capital fund administration, should those go in 1410? I believe those go in 1410, but Chris or Damien, maybe you can confirm?

Chris Granger: Yeah. We confirm that. Go ahead, Damien.

Damien Thomas: No, no. Go ahead, Chris. Somebody's at my door. Sorry about that.

Chris Granger: So typically just you want to watch the percentage. We have the cost limitations listed in the guidebook and in the regs. 1410 is acceptable and permissible, but you want to keep it at the 10 percent. That did get increased during the CARES Act. We did expand that to I believe 15 percent. That may have expired. But in any case, whatever you put into EPIC for 1410, we have it built in the system and into the code, so that if you go over even by one penny, the allowable percentage, it will stop you. It will prevent you from submitting. And it'll tell you what the error was. And you can go back and correct it. And nobody will have ever even known that you were a penny over. So you're very safe if you put money in 1410. Thanks.

Marianne Nazzaro: Great. Thanks, Chris. Chris, I have another one for you. The question here is, traditionally PHAs with less than 250 units can place all of their CSP into 1406. Is that still available for MTW agencies with less than 250 units? I believe the ops notice says that MTW agencies are not to use 1406, period. But Chris or Damien, can you confirm?

Chris Granger: Yeah. So that -- we're talking, like Marianne pointed out, conceptually of course you can use capital funds as an MTW agency for expenses that would be traditional operating expenses. But we don't want you to track it on 1406. We want you to track it on 1492. So the outcome looks almost the same, but the way we get there is a little bit different. The road is different, but the destination's the same, I think. So the answer is, we don't want you to put your money in 1406 when you're MTW. Even if you're small. Even if you're a small agency. Put it on 1492 for operating.

Marianne Nazzaro: Great. Okay. And then with that, I am going to -- thank you so much, Chris and Damien. With that, I am going to turn it over to John Concanon, the deputy director of the MTW office, to talk about CARES Act funding. There were a number of questions in the chat related to that. So hopefully they'll get answered here. And if not, we'll be sure to ask them. So John?

John Concannon: Okay. All right. Thanks, Marianne. And thanks to Chris and Damien. It's good to see and hear from you guys. I was just going to touch on quickly CARES Act reporting, building on what Phillip talked about earlier with your FDS submission. There is a full notice I'm sure you all have seen, it's been sent provided to you by your field office or from the PIH listserv, notice 2020-24. That lays out in detail your CARES Act reporting in FDS. And we've built in a lot of explanations on how to report for MTW housing authorities.

Now I am looking at this slide, I realize I left out the major point I wanted to make, is if you receive supplemental funds, say the first bullet in operating funds, you can use that for traditional operating fund purposes or you can use it to, quoting the notice, to prevent, prepare for, or respond to COVID-19. Those are the traditional uses, those two uses. If you're an MTW housing authority, you can use your supplemental, say as an example your op funds, you can use them for any interchangeable purpose. And that was a question in the chat that we received. So the fungibility applies to your CARES Act funding.

If you do exercise fungibility, and use say operating funds for another MTW purpose, or say for vouchers, or for admin fee, you'll just have to report them in an MTW column. You'll have to create an MTW column. You would report those funds going out of say the operating fund and going into the MTW column. The notice is really clear. It can explain it much better than I can. This may not be an issue if you've already expended your CARES Act supplemental funds, or if you plan to use them in traditional buckets. But if you do want to apply MTW fungibility, again which would kick in the first day of the month after your ACC is executed, you can do it.

So we're always making our lives a little bit more difficult for our friends in the voucher and public housing office and the finance offices, but we want to give you a lot more flexibility. And so that does exist if you choose to exercise it. And again, the notice is there, and there are -- when you go to hud.gov, in the top right there are coronavirus resources, with all too familiar graphic for COVID-19 that we've all seen everywhere.

If you go into that, there is a public housing section with an FAQ that we've been continuously updating. And in that FAQ it also reiterates that you can use your supplemental funding for other allowable MTW purposes, including local nontraditional funding programs, as long as that's approved in your MTW supplement to the PHA plan.

So if there are any questions I didn't cover, Marianne, please let me know. I will pass it back to you.

Marianne Nazzaro: All right. Here is another question that I -- thanks, John. I think you covered it, but I'm going to ask it just to make sure that it's clear. The question is for agencies that have not been reimbursed for all of their CARES Act funding, would it be better to do that prior to designation?

John Concannon: If you were still retaining those funds -- I mean it's really your call. You have a little bit more flexibility after your ACC is executed on how to spend them. So you can use them for other allowable purposes. But there's no need -- I wouldn't rush to spend them. The period of availability is still the same. It's still 12/31/2021. So you have plenty of time to use them. And if you -- you just have to track them in FDS if you use them for a purpose that's not within the source of the awarded funds.

Marianne Nazzaro: Great. Okay. Thank you, John. And now I would like to -- if you could go to the next slide -- send it back over to Phillip to talk about previously appropriated funds, which Steve should enjoy, because I see a question just came in about that. So hopefully we'll answer that question right now. Phillip?

Phillip Pless: Thank you, Marianne. So I think this is a topic that everyone is dying to know about. And so we're going to discuss what can you do with your previously appropriated Section 8 and 9 funds. And we're going to really give you all the information that you need to know. So right now your previously appropriated Section 8 and Section 9 funds can be used flexibly by expansion PHAs. So currently this ability is provided to HUD and to expansion PHAs through our annual appropriations bill. There is a provision in there that provides the ability for expansion PHAs to use their previously appropriated Section 8 and Section 9 funds flexibly.

So one of the things to really keep in mind, and this is extremely important, is that this is a temporary provision, and it has to be renewed annually. And so all MTW PHAs are responsible for keeping abreast of the status of this flexibility. And you can see here on the last bullet point here, there's a link to our website. We actually had a webpage that addresses this specific topic. And so when you click on that link when the slides are posted on the HUD Exchange, you will see the language that we've written up. And it'll show you that currently you were able to have this ability through September 30th of 2021. So this is a provision that is subject to constantly being updated by us for congressional direction.

So after that date, we will again update it based on where we are. We typically do not have a budget until after October 1, as you guys may know. So if we have a continued resolution, we'll make sure that we update that so you guys are aware. But that's a really important point. And I know that you guys are really -- were probably really anxious to have that information at your disposal. So with that, this is our last topic, I'm going to turn it back over to Marianne for some additional time for questions and answers that you may have on finance topics. Thank you so much again for participating in this webinar. And turn it over to Marianne.

Marianne Nazzaro: On that, so I'm going to switch it back to you, Phillip. So to clarify that last slide, so can CSP grants awarded prior to MTW be used for MTW activities?

Phillip Pless: That's correct. So all Section 8 and Section 9 funding sources, operating funds, housing choice voucher, housing choice voucher administrative fees, and capital funds can be used flexibly by expansion PHAs. Currently that's to September 30, 2021. And we will, as I mentioned just before, we will keep you updated on the status on our webpage.

Marianne Nazzaro: Great. Thank you. John, producer John, could you please pull up question number nine? I've got another knowledge check for you guys. So question number nine. Question, HUD publishes the status of the ability of an MTW expansion agency to use previously appropriated funds flexibly on the MTW website. True or false. HUD publishes the status of the ability for an MTW expansion agency to use previously appropriated funds flexibly on the MTW website.

John Panetti: Poll will be closing in 20 seconds.

Marianne Nazzaro: Yes. And the answer to that question is true. As Phillip noted, yes, HUD publishes the status of the ability for expansion agencies to use their prior appropriated funds flexibly on our website. That is -- though it is the responsibility of each agency to know, we do have that information posted on our website. And the link is both from our MTW webpage as well as in the MTW operations notice, we specify the link.

So with that, I am going to see if -- to try to kind of pick up all the questions that we didn't get to so far. And so if you have any additional questions, please send them into the Q&A box. John Concannon, I have a question for you. As a PBV RAD agency, I believe we have the flexibility already, correct? John Concannon?

John Concannon: Yep. If you are -- if you have RAD, project-based vouchers, I will say Pravin on our team put together -- he's our lead for RAD -- put together a great resource that's on the MTW website. If you go under promising practices, it's all about things you can do under the RAD program using MTW flexibility. Which we say, you know, the two demonstrations are better than one. But if you do want to apply your MTW flexibilities, the waiver flexibilities, and changing policies and things, you do want to apply them to your RAD PBVs. It would have to be approved in an MTW supplement to the PHA plan.

But when it comes to the funding fungibility, if there are sort of if the cash flow for your RAD PBVs, if there's extra you can funge [sic], or if you want to funge funds into RAD deals, you can do those. So I'm not sure I totally got that question. But you can apply your funding and your waiver flexibilities to RAD PBVs. It just has to be in a plan or after your ACC is executed.

Marianne Nazzaro: Great. Thank you, John. This next question, Phillip, I think it might be for you, possibly John. The question here is, if we don't intend to use fungibility right away, do we still need to transfer all received funds into MTW 14.881?

Phillip Pless: Yes. That's correct. So recall from the previous slide where we talked about FDS reporting, you're going to create those first three columns, and you'll record your revenue there for both op funds or what is also known as low rent in the FDS instructions, the HCV, and the capital fund. And then you'll then transfer it to 14.881 [inaudible]. So yes, that's correct.

Marianne Nazzaro: Great. Thanks. John Concannon, this next one is for you. And we might plan on this one for a future webinar, but just want to ask it here. What software is compatible with MTW?

John Concannon: Yeah. We're actually going to have an entire training around I think with our PIC system and the MTW supplement. And I think we'll have our data guru and IT expert on there. I guess it would probably depend if we're talking at sort of the PIC level, or are we talking about in your financial reporting system. But I would think let's try to -- I would say let's hold that question and we can come back to it with Gwendolyn [ph] on our team to try to answer it.

Marianne Nazzaro: Great. Thanks, John. This next question is for me, I believe. The question is, is there any update for when HUD will be signing the ACC amendments, MTW ACC amendments that have been submitted. And so the -- now that we've had this webinar, what you can do with your funding once the ACC amendment is executed, we are pulling together all of the MTW ACC amendments with board resolutions that we have received. And we are going to be packaging them up for our -- for signature by HUD leadership, from [inaudible] leadership. So hopefully at this point we should be able to turn those around within the next month or so, hopefully sooner. So we will be able to start moving forward with getting those executed.

So John, this is a similar question to the last one. Is there a good RFP for the software requirements for MTW? John Concannon, is there a good RFP for the software requirements for MTW?

John Concannon: Not that I am aware of. I'm sure there are good RFPs. And I think that's a good question for your peer. I don't know if Maria or Shannon would have any insights into that. I am not -- those don't come to us or aren't shared with us typically. But I would ask your fellow MTW agencies. I think I hear one of them.

Marianne Nazzaro: I think Maria, do I see you?

Maria Razo: Yeah. I feel like I keep talking, so I don't know if Shannon wants to chime in, and then I can add if needed.

Marianne Nazzaro: Go for it, Maria.

Shannon Oury: I mean the only thing that I'll say is that we did a survey a couple of years back of all the different software that the MTW used. And I think we'd be happy to share that if one of us can locate it. And just as a broad general overview, there are things that different softwares do well and things they don't do well. And it'd probably be the best if you want to talk to an agency that's actually using them. I really wouldn't want to talk about any that we don't personally use here.

Maria Razo: I would agree. And [inaudible] our RFP as well.

Marianne Nazzaro: Great. Thanks, Maria. And we can't recommend one software or another. So talking to your peers on that is a good approach. So great, Shannon and Maria. Appreciate that. Okay. Phillip, another question for you just came in here on the Q&A. What will trigger when the MTW column has to be set up in the financials? Is it the agency's new fiscal year, when the MTW ACC amendment is executed, etc.?

Phillip Pless: So to answer your question, you're going to want to set that up at the beginning of the process. So what I would really encourage you guys to do, just to reiterate from what I was saying earlier, we posted the special instructions for FDS reporting with all of the sort of nuances of all that. I would encourage you guys to go back and review that right after this webinar when it's posted. If you have any additional questions, I will make sure that my -- you can submit them through the cohort one mailbox. And I will make sure that we research that answer to you. So that's my basic suggestion is to just go through that and follow through the steps. And if there's something that's still not clear, just let us know, and we'll make sure you get an answer to your question.

Marianne Nazzaro: Fantastic. Thanks, Phillip. I am now going to go through the questions to make sure I didn't skip anybody. I will get back to you on this pre-MTW funds baseline amount question. I'm not sure. I think we're good. So with that, I would really appreciate if you guys could -- we're going to wrap up. And I would appreciate if while we are wrapping up, if you could type in the Q&A or send us to that MTW cohort one at hud.gov, how are these webinars going, are there any suggestions for improving like the format, the content, if there are certain topics that you'd like us to delve into, is this about the right pace, anything that you have. We just want to make this onboarding experience as good as possible for you all.

So please, any suggestions, any tips, anything that you guys have to offer, please let us know, whether in today's Q&A box, or you can send us an email. And with that, next slide please. So as a reminder, we have a lot of resources available for the expansion agencies. The MTW ACC amendment, we sent that around. You should all have that, be very comfortable with it. If you go to our MTW website, there's a cohort one page with all the resources that you might need there. We sent out the welcome letter, the timeline, a lot of additional resources within that.

The MTW operations notice here, we put it into a pretty, into a user friendly version, of the operations notice. And I encourage you to save that as a bookmark and become very familiar with that. All of the requirements for the expansion agencies are available, as indicated in the operations notice. We have the overall moving to work page. From there you can see all kinds of information about what your peers and the other legacy agencies have done. We have a new promising practices page where we're talking about different activities. There's the RAD resources, the [inaudible] resources, a lot of the information that we talked about today.

The expansion page on HUD Exchange, there you'll find the online module that we've developed, that really takes the operations notice, and takes the requirements, and breaks it down into step by step portions. So you can go back and refer to that at any point in time. You'll see some familiar faces there. You'll Maria, you'll see Shannon. They both did videos for us for that, and so you'll see them on that page. The expansion training, a lot of really good information on the training page, and all of these webinars that we've done so far you'll find available on the HUD Exchange training page as well. So definitely keep your eyes out for that. Next slide.

And for any additional insights from Maria and Shannon, they both talked about funding fungibility, and they were kind of videotaped early on. And so we'll have the links to their videos here as well. Next slide.

And then what's coming up next. Okay. So our next webinar is actually next week. And so with that one, you will be meeting our friends in the policy development and research office. And then the evaluators will be telling you kind of what's in store for the evaluation. And this is a plug. You may have received that email yesterday that we have. Each of the MTW expansion cohort one agencies are going to be receiving a grant, a 25,000 grant for software updates for the purposes of needing to do the evaluation. So you will be getting an email from our colleagues [inaudible] on that shortly, hopefully within the next week or so. So this is another plug for getting us your points of contact, contact information, so we make sure that we are getting all -- that everybody is getting the information that you need.

On March 10th we have -- we're putting together the training on the moving to work supplement. We will answer questions from how to think through your activities, how to get them started, to how to actually fill out the online forms. So we're really excited about that. And then on March 24th we will have the transitioning to PIC-NG, the new software system. And so we'll have some more information about that on March 24th.

And so with that, I think that is it. Next slide.

All right. With that, I will say thank you, thank you. And look forward to seeing you guys next week on the evaluation slide. So have a great afternoon, everybody.

John Panetti: This concludes the Preparing Your Agency's MTW Finances Webinar. Thank you for attending. As a reminder, the recording and slides will be available on the HUD Exchange. Please join us for the next webinar in the series, Evaluation and Data Collection.